

1 BRAD BRIAN (State Bar No. 79001)
Brad.Brian@mto.com
2 THOMAS B. WALPER (State Bar No. 96667)
thomas.walper@mto.com
3 HENRY WEISSMANN (State Bar No. 132418)
henry.weissmann@mto.com
4 BRADLEY SCHNEIDER (State Bar No. 235296)
bradley.schneider@mto.com

MUNGER, TOLLES & OLSON LLP

6 350 South Grand Avenue
7 Fiftieth Floor
Los Angeles, California 90071
8 Telephone: (213) 683-9100
9 Facsimile: (213) 683-3702

10 *Attorneys for Debtors
and Debtors in Possession*

11 **UNITED STATES BANKRUPTCY COURT**
12 **NORTHERN DISTRICT OF CALIFORNIA**
SAN FRANCISCO DIVISION

13 In re

14 PG&E CORPORATION,

15 -and-

16 PACIFIC GAS AND ELECTRIC
17 COMPANY,

Debtors.

- 18 ☐ Affects PG&E Corporation
19 ☐ Affects Pacific Gas and Electric Company
20 ☒ Affects both Debtors

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**SECOND APPLICATION OF DEBTORS
TO AMEND ORDER PURSUANT TO 11
U.S.C. § 327(e) AND FED. R. BANKR. P.
2014(a) AND 2016 FOR AUTHORITY TO
RETAIN AND EMPLOY MUNGER,
TOLLES & OLSON LLP AS COUNSEL
FOR CERTAIN MATTERS**

[No hearing requested]

[Relates to Dkt. No. 1677]

1 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the
2 “**Utility**”), as debtors and debtors in possession (collectively, “**PG&E**” or the “**Debtors**”) in the
3 above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), hereby submit this Second
4 Application (the “**Second Application to Amend**”) to amend that *Order Pursuant to 11 U.S.C.*
5 *§ 327(e) and Fed. R. Bankr. P. 2014(a) and 2016 to Retain and Employ Munger, Tolles & Olson*
6 *LLP as Counsel for Certain Matters* [Doc. #1677] (the “**Retention Order**”) as amended by the
7 First Amended Retention Order (as defined below), which is attached as **Exhibit A**.

8 In support of this Application to Amend, the Debtors submit the Declaration of Henry
9 Weissmann (the “**Weissmann Declaration**”), which is filed concurrently herewith. A proposed
10 form of order approving this Amended Application is annexed hereto as **Exhibit B** (the
11 “**Proposed Order**”).

12 **I. JURISDICTION**

13 The Court has jurisdiction over this Application under 28 U.S.C. §§ 157 and 1334, the
14 *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24
15 (N.D. Cal.), and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court
16 for the Northern District of California (the “**Bankruptcy Local Rules**”). This is a core
17 proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court under 28 U.S.C.
18 §§ 1408 and 1409.

19 **II. BACKGROUND AND RELIEF REQUESTED**

20 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced voluntary cases under
21 chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage
22 their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy
23 Code. No trustee, or examiner has been appointed in either of the Chapter 11 Cases. The
24 Debtors’ Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to
25 Bankruptcy Rule 1015(b).

26 On February 12, 2019, the United States Trustee (the “**U.S. Trustee**”) appointed an
27 Official Committee of Unsecured Creditors (the “**Creditors Committee**”). On February 15, 2019,
28 the U.S. Trustee appointed an Official Committee of Tort Claimants (the “**Tort Claimants**”).

1 **Committee**). Additional information regarding the circumstances leading to the commencement
2 of the Chapter 11 Cases and information regarding the Debtors' businesses and capital structure is
3 set forth in the *Amended Declaration of Jason P. Wells in Support of the First Day Motions and*
4 *Related Relief* [Dkt No. 263] (the "**Wells Declaration**").

5 On February 13, 2019, the Debtors filed an application (the "**Retention Application**")
6 pursuant to 11 U.S.C. § 327(e) and Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy
7 Procedure for authority to retain and employ MTO as counsel for the Specific Matters as defined
8 therein (Dkt No. 1167). On April 24, 2019, the Court entered the Retention Order, which
9 authorized the Debtors to retain MTO for the Specific Matters.

10 On September 18, 2019, the Debtors filed an application to amend the Retention Order to
11 clarify and expand the scope of the Specific Matters. *See Application of Debtors to Amend Order*
12 *Pursuant to 11 U.S.C. § 327(e) and Fed. R. Bankr. P. 2014(a) and 2016 for Authority to Retain*
13 *and Employ Munger, Tolles & Olson LLP as Counsel for Certain Matters* [Dkt. No. 3929] (the
14 "**First Application to Amend**"). On October 2, 2019, the Court entered an order granting the
15 First Application to Amend. *See Order* [Dkt. No. 4083] (the "**First Amended Retention**
16 **Order**").

17 By this Second Application to Amend, the Debtors seek to amend the Retention Order to
18 further clarify and/or expand the scope of the Specific Matters in two respects.

19 First, the Debtors have retained MTO to represent them in responding to a petition for
20 modification of CPUC Decision 18-01-022, which concerns the Diablo Canyon Nuclear Power
21 Plant ("**DCNPP**"). The petition for modification, filed by the Alliance for Nuclear Responsibility,
22 asks the CPUC to evaluate the cost-effectiveness of DCNPP and to consider ordering PG&E to
23 shut down the plant before the end of its license period. As set out in the Weissmann Declaration,
24 MTO has experience with the legal issues raised by the petition based on its prior representation of
25 another utility that owned a nuclear power plant in California.

26 The Debtors believe that this representation (the "**DCNPP Matter**") falls within the scope
27 of the Retention Order, which authorizes MTO to represent the Debtors in CPUC proceedings,
28 among other matters. Nonetheless, out of an abundance of caution, the Debtors respectfully

1 request that the Court enter an order further amending the Retention Order to confirm that the
2 Specific Matters include the DCNPP Matter.

3 Second, the Debtors seek authority to retain MTO as counsel in connection with any civil,
4 administrative, or criminal investigations or proceedings arising out of the recent Kincade wildfire
5 in Sonoma County, California. While the Retention Order and First Amended Retention Order
6 already authorize MTO to represent the Debtors in criminal or civil matters arising out of the
7 Northern California wildfires, the Debtors seek to clarify that MTO's engagement includes not
8 only matters relating to prior wildfires but also matters arising from the Kincade wildfire. MTO's
9 qualifications to represent the Debtors in such matters are described in the Weissmann
10 Declarations in Support of the Retention Application and the First Application to Amend [Dkt.
11 Nos. 1167, 3929-1].

12 MTO will continue to undertake reasonable efforts to coordinate with other counsel to the
13 Debtors, including Cravath, to avoid any unnecessary duplication of work by counsel with respect
14 to this additional work as it has done with respect to the Specific Matters to date.

15 The other grounds for this relief, including MTO's qualifications and terms of engagement,
16 are set out in the Weissmann Declaration. Further, subject to the disclosures in the Weissmann
17 Declaration, MTO does not hold or represent an interest adverse to the Debtors or their estates
18 with respect to any of the foregoing matters.

19 **III. NOTICE**

20 Notice of this Second Application to Amend will be provided to (i) the Office of the United
21 States Trustee for Region 17 (Attn: Andrew Vara, Esq. and Timothy Laffredi, Esq.); (ii) counsel to
22 the Creditors Committee; (iii) counsel to the Tort Claimants Committee; (iv) the Securities and
23 Exchange Commission; (v) the Internal Revenue Service; (vi) the Office of the California Attorney
24 General; (vii) the California Public Utilities Commission; (viii) the Nuclear Regulatory
25 Commission; (ix) the Federal Energy Regulatory Commission; (x) the Office of the United States
26 Attorney for the Northern District of California; (xi) counsel for the agent under the Debtors' debtor
27 in possession financing facilities; and (xii) those persons who have formally appeared in these
28 Chapter 11 Cases and requested service pursuant to Bankruptcy Rule 2002. The Debtors

1 respectfully submit that no further notice is required.

2 No previous request for the relief sought herein has been made by the Debtors to this or
3 any other court.

4 WHEREFORE the Debtors respectfully request that the Court authorize entry of an order
5 substantially in the form attached hereto as **Exhibit B**, granting the relief requested in this
6 Application and such other and further relief as the Court may deem just and appropriate.

7

8 Dated: October 30, 2019

Respectfully submitted,

9

10

By: 

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28